

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, Maryland 21244-1850



Division of Integrated Health Systems, Family and Children's Health Programs Group, CMSO

November 20, 2003

Roy Jeffus, Director
Arkansas Dept. of Human Services
Division of Medical Services
P.O. Box 1437, Slot S401
Little Rock, AR 72203-1437

Dear Mr. Jeffus:

I am pleased to inform you that the Centers for Medicare and Medicaid Services (CMS) is approving Arkansas' request for renewal of its non-emergency transportation waiver program authorized under Section 1915(b)(4) of the Social Security Act (the Act.)

My decision is based on the evidence submitted to CMS demonstrating that the State's proposal is consistent with the purposes of the Medicaid program and will meet all the statutory and regulatory requirements for assuring beneficiaries' access to and quality of services and will be a cost-effective means of providing non-emergency transportation to Arkansas' Medicaid population. This approval provides for waiver of Sections 1902(a)(4) to permit the State to mandate beneficiaries into a single PAHP and 1902(a)(23) of the Act (Freedom of Choice) to restrict Medicaid beneficiaries' choice to obtain transportation services through brokers in 11 geographic regions selected through competitive bidding. Approval also allows the State to claim transportation as an optional medical service, which is matched at the State's higher FMAP rate, rather than as an administrative expense.

The approval period for this waiver is November 22, 2003, through November 21, 2005. Please be advised that approval is contingent upon the State's adequately meeting the terms and conditions which were contained in the letter sent to you on Monday, November 17. These special terms and conditions are again outlined in the attached document. Your response to these issues is required in writing by December 1, 2003.

CMS would like to remind the State that the new 1915(b) cost effectiveness test will be required for all subsequent renewals or amendments of this waiver. The State should ensure that it has begun reporting expenditures on the CMS-64 by waiver no later than the quarter ending September 30, 2003.

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Additionally, the State should submit a report of member months by Medicaid Eligibility Group (MEG) for the corresponding quarter to the CMS Regional Office. The State should ensure that its expenditure reporting is consistent with the reporting requirements for the new cost effectiveness test. CMS Central Office and Regional Office staff are available to provide technical assistance in this area, if needed.

Arkansas may request that this authority be renewed again and should submit its request for the renewal period 90 to 120 days in advance of the expiration date. Arkansas will continue to be responsible for documenting the cost-effectiveness, access and quality factors in subsequent renewal requests. Please note that an independent assessment will be required as part of the next waiver renewal; the resultant report is due to CMS by August 21, 2005.

We wish you continued success in the operation of the Arkansas Medicaid Non-Emergency Transportation Program. If you have any questions or require any clarification in order to meet the deadlines cited in the Terms and Conditions, please feel free to contact Scott Harper in the CMS Dallas Regional Office at (214) 767-6564 or Claudia Lamm in the CMS Central Office at (410) 786-3421.

Sincerely,

/s/

Mike Fiore, Director
Division of Integrated Health Systems

cc: Scott Harper, CMS Region VI
DIHS Update Team
FCHPG Web Waiver Team

Attachment

Special Terms and Conditions- Arkansas NET Waiver- November 2003

1. Satisfactory responses to additional questions emailed on November 3, 2003
2. Revised cost effectiveness data (base year and projected year 1 and year 2 costs in conformance, supported by CMS-64
3. Clear outline of the lines of authority and responsibility in organizational chart format for:
 - a. Denial of services
 - b. Problem/complaint resolution
 - c. Handling non-compliant members
 - d. Monitoring of broker performance

(Please include Brokers, Subcontractors, and MMCS/HelpLine, County offices in your response.)

4. Corrective action plans with implementation timelines for:
 - e. Denial letters
 - f. Consistent problem/complaint resolution
 - g. Broker delays in scheduling rides (with special attention to special needs recipients)
 - h. Broker monitoring efforts
5. Policy and procedures for:
 - i. Handling non compliant members
 - Monitoring broker performance to include periodicity, implementation of corrective actions and sanctions
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6. Documentation which reflects ongoing broker monitoring activities over the last year (Include any reports, logs, quarterly reviews.)
7. Description of quality assurance and improvement program activities and related costs reimbursed in the prior period (\$50,000 within administrative budget)
8. Guidelines as to what constitutes urgent care, and any evidence that these guidelines have been distributed to brokers